

DEBTOR: Midwest Theatres Corp.

MONTHLY OPERATING REPORT
CHAPTER 11

CASE NUMBER: 10-46834

Form 2-A
COVER SHEET

For Period Ending 10/31/2010

Accounting Method: ☒ Accrual Basis ☐ Cash Basis

THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. Submit the original Monthly Operating Report bearing an original signature, to the U. S. Trustee. A copy of the Report must be filed with the Clerk of Court. 11 U.S.C. § 704(8)

| Report/Document Attached | Previously Waived | REQUIRED REPORTS/DOCUMENTS |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1. Cash Receipts and Disbursements Statement (Form 2-B) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 2. Balance Sheet (Form 2-C) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 3. Profit and Loss Statement (Form 2-D) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 4. Supporting Schedules (Form 2-E) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 5. Quarterly Fee Summary (Form 2-F) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6. Narrative (Form 2-G) |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7. Bank Statements for All Bank Accounts |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | 8. Bank Statement Reconciliations for all Bank Accounts |

I declare under penalty of perjury that the following Monthly Operating Report, and any attachments thereto are true, accurate and correct to the best of my knowledge and belief.

Executed on: 11/23/2010

Print Name: Bryan J. Sieve

Signature: 

Title: CFO

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DEBTOR: Midwest Theatres Corp CASE NO: 10-46834

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 10/01/10 to 10/31/10

CASH FLOW SUMMARY

| | <u>Current Month</u> | <u>Accumulated</u> |
|---|------------------------------------|------------------------------|
| 1. Beginning Cash Balance | \$ <u>371,884</u> (1) ^a | \$ <u>552,405</u> (1) |
| 2. Cash Receipts | | |
| Operations | 864,792 | 1,202,328 |
| Sale of Assets | 0 | 0 |
| Loans/advances | 0 | 0 |
| Other | 0 | 0 |
| Total Cash Receipts | \$ <u>864,792</u> | \$ <u>1,202,328</u> |
| 3. Cash Disbursements | | |
| Operations | 967,026 | 1,485,083 |
| Debt Service/Secured loan payment | 16,657 | 16,657 |
| Professional fees/U.S. Trustee fees | 325 | 325 |
| Other | 0 | 0 |
| Total Cash Disbursements | \$ <u>984,008</u> | \$ <u>1,502,065</u> |
| 4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements) | <u>-119,216</u> | <u>-299,737</u> |
| 5 Ending Cash Balance (to Form 2-C) | \$ <u><u>252,668</u></u> (2) | \$ <u><u>252,668</u></u> (2) |

CASH BALANCE SUMMARY

| | <u>Financial Institution</u> | <u>Book Balance</u> |
|--|--|------------------------------|
| Petty Cash | <u>Cash at Unit Locations</u> | \$ 24,620 |
| DIP Operating Account | <u>FMB, UCB MPS, SB&T</u> | 90,450 |
| DIP State Tax Account | <u>n/a</u> | 0 |
| DIP Payroll Account | <u>n/a</u> | 0 |
| Local Depository Accounts | <u>UCB, FMB, FF&M, NCB, MNB, WWCU</u> | 85,294 |
| Other Operating Account | <u>Mecury Pay CC & Movie Tickets.com</u> | 52,304 |
| Other Interest-bearing Account | <u>n/a</u> | 0 |
| TOTAL (must agree with Ending Cash Balance above) | | \$ <u><u>252,668</u></u> (2) |

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

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^a Starting Balance > \$14,692 due to Dakota Elect ACH that was previously recorded as 9/29 vs 10/2 actual.

DEBTOR: Midwest Theatres Corp. CASE NO: 10-46834

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 10/01/10 to 10/31/10

CASH RECEIPTS DETAIL

Account No:

(attach additional sheets as necessary)

| Date | Payer | Description | Amount |
|------|----------------|--------------------------------|---------|
| | | | \$ |
| | General Retail | Theatre Admissions / F&B Sales | 864,792 |

Total Cash Receipts \$ 864,792 (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

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DEBTOR: Midwest Theatres Corp.

CASE NO:

10-46834

Form 2-C
COMPARATIVE BALANCE SHEET

For Period Ended: 10/31/10

| | | Current Month | Petition Date (1) |
|--|----|------------------|----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash (from Form 2-B, line 5) | \$ | 252,668 | \$ 552,405 |
| Accounts Receivable (from Form 2-E) | | 82,611 | 15,717 |
| Receivable from Officers, Employees, Affiliates | | 0 | 0 |
| Inventory | | 103,974 | 119,033 |
| Other Current Assets :(List) | | | |
| Sundry A/R | | 15,395 | 7,937 |
| PrePaid Expenses | | 31,286 | 40,544 |
| Film Advances | | 12,756 | 0 |
| Security Deposits | | 23,464 | 45,759 |
| | | 0 | 0 |
| | | 0 | 0 |
| Total Current Assets | \$ | 522,154 | \$ 781,395 |
| Fixed Assets: | | | |
| Land | \$ | 381,648 | \$ 381,648 |
| Building | | 1,355,016 | 1,355,016 |
| Equipment, Furniture and Fixtures | | 8,671,034 | 8,671,034 |
| Total Fixed Assets | | 10,407,698 | 10,407,698 |
| Less: Accumulated Depreciation | (| 6,887,135) | (6,738,476) |
| Net Fixed Assets | \$ | 3,520,563 | \$ 3,669,222 |
| Other Assets (List): | | | |
| Intangibles (Net) | | 79,075 | 81,047 |
| Loans to affiliates | | 4,423,538 | 4,422,473 |
| Goodwill | | 271,128 | 271,128 |
| Rounding | | -3 | -2 |
| TOTAL ASSETS | \$ | 8,816,455 | \$ 9,225,263 |
| LIABILITIES | | | |
| Post-petition Accounts Payable (from Form 2-E) | \$ | 220,178 | \$ 0 |
| Post-petition Accrued Profesional Fees (from Form 2-E) | | 16,036 | 0 |
| Post-petition Taxes Payable (from Form 2-E) | | 5,793 | 0 |
| Post-petition Notes Payable | | 0 | 0 |
| Other Post-petition Payable(List): | | 219,710 | 0 |
| Accrued Film Liability | | | 0 |
| Total Post Petition Liabilities | \$ | 461,717 | \$ 0 |
| Pre Petition Liabilities: | | | |
| Secured Debt | | 6,914,364 | 6,915,249 |
| Priority Debt | | 273,729 | 452,973 |
| Unsecured Debt | | 2,658,134 | 3,162,035 |
| Total Pre Petition Liabilities | \$ | 9,846,227 | \$ 10,530,257 |
| TOTAL LIABILITIES | \$ | 10,307,944 | \$ 10,530,257 |
| OWNERS' EQUITY | | | |
| Owner's/Stockholder's Equity | \$ | 879,478 | \$ 879,478 |
| Retained Earnings - Prepetition | | -2,370,967 | -2,184,472 |
| Retained Earnings - Post-petition | | 0 | 0 |
| TOTAL OWNERS' EQUITY | \$ | -1,491,489 | \$ -1,304,994 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | \$ | 8,816,455 | \$ 9,225,263 |

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

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DEBTOR: Midwest Theatres Corp.

CASE NO: 10-46834

Form 2-D
PROFIT AND LOSS STATEMENT

| For Period | <u>10/01/10</u> | to | <u>10/31/10</u> | |
|--|-----------------|----------------|-----------------|--------------------------|
| | | | | Current Month |
| | | | | Accumulated Total (1) |
| Gross Operating Revenue | \$ | 818,954 | \$ | 1,185,358 |
| Less: Discounts, Returns and Allowances | (| <u>0</u>) | (| <u>0</u>) |
| Net Operating Revenue | \$ | <u>818,954</u> | \$ | <u>1,185,358</u> |
| Cost of Goods Sold | | <u>345,849</u> | | <u>495,564</u> |
| Gross Profit | \$ | <u>473,105</u> | \$ | <u>689,794</u> |
| Operating Expenses | | | | |
| Officer Compensation | \$ | 16,667 | \$ | 33,333 |
| Selling, General and Administrative | | 287,097 | | 506,358 |
| Rents and Leases | | 109,895 | | 225,356 |
| Depreciation, Depletion and Amortization | | 74,552 | | 150,632 |
| Other (list): | | <u>0</u> | | <u>0</u> |
| | | <u>0</u> | | <u>0</u> |
| Total Operating Expenses | \$ | <u>488,211</u> | \$ | <u>915,679</u> |
| Operating Income (Loss) | \$ | <u>-15,106</u> | \$ | <u>-225,885</u> |
| Non-Operating Income and Expenses | | | | |
| Other Non-Operating Expenses | \$ | 0 | \$ | 0 |
| Gains (Losses) on Sale of Assets | | 0 | | 0 |
| Interest Income | | 0 | | 0 |
| Interest Expense | | 8,463 | | 24,920 |
| Other Non-Operating Income | | <u>0</u> | | <u>0</u> |
| Net Non-Operating Income or (Expenses) | \$ | <u>8,463</u> | \$ | <u>24,920</u> |
| Reorganization Expenses | | | | |
| Legal and Professional Fees | \$ | 16,036 | \$ | 16,361 |
| Other Reorganization Expense | | <u>0</u> | | <u>0</u> |
| Total Reorganization Expenses | \$ | <u>16,036</u> | \$ | <u>16,361</u> |
| Net Income (Loss) Before Income Taxes | \$ | <u>-22,679</u> | \$ | <u>-217,326</u> |
| Federal and State Income Tax Expense (Benefit) | | <u>0</u> | | <u>0</u> |
| NET INCOME (LOSS) | \$ | <u>-22,679</u> | \$ | <u>-217,326</u> |

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: Midwest Theatres Corp.

CASE NO: 10-46834

Form 2-E
SUPPORTING SCHEDULES
For Period: 10/01/10 **to** 10/31/10

POST PETITION TAXES PAYABLE SCHEDULE

| | Beginning Balance (1) | Amount Accrued | Amount Paid | Date Paid | Check Number | Ending Balance |
|------------------------------|----------------------------------|---------------------------|------------------------|----------------------|-----------------------------------|---------------------------|
| Income Tax Withheld: | | | | | | |
| Federal | \$ 0 | \$ 8,950 | \$ 4,712 | 10/13/2010 | EFT 101310 | |
| | | | 4,238 | 10/29/2010 | EFT 102910 | |
| Totals | <u>0</u> | <u>8,950</u> | <u>8,950</u> | | | \$ <u>0</u> |
| State | | | 2,216 | 10/13/2010 | EFT 101310 MN | |
| | | | 2,086 | 10/29/2010 | EFT 102910 MN | |
| | | | 473 | 10/29/2010 | EFT 102910 IA | |
| | | | 236 | 10/29/2010 | EFT 102910 WI | |
| Totals | <u>630</u> | <u>4,434</u> | <u>5,011</u> | | | \$ <u>53</u> |
| FICA Tax Withheld | | | 4,864 | 10/13/2010 | EFT 101310 | |
| | | | 4,719 | 10/29/2010 | EFT 102910 | |
| Totals | <u>0</u> | <u>9,583</u> | <u>9,583</u> | | | \$ <u>0</u> |
| Employer's FICA Tax | | | 4,864 | 10/13/2010 | EFT 101310 | |
| | | | 4,719 | 10/29/2010 | EFT 102910 | |
| Totals | <u>0</u> | <u>9,583</u> | <u>9,583</u> | | | \$ <u>0</u> |
| Unemployment Tax | | | | | | |
| Federal | 2,204 | 347 | 2,204 | 10/31/2010 | EFT 1031/10 | 347 |
| State | 5,428 | 1,042 | 5,924 | 10/31/2010 | EFT 1031/10 | 546 |
| Sales, Use & Excise Taxes | 23,975 | 48,908 | 16,875 | 10/14, 10/20 | EFT 10/14, 10/20 | 56,008 |
| Property Taxes | 313,842 | -6,581 | 358,422 | | 25933, 25934, 25935 ACH 011410 | -51,161 |
| Accrued Income Tax: | | | | | | |
| Federal | 0 | 0 | 0 | | | 0 |
| State | 0 | 0 | 0 | | | 0 |
| Other: | 0 | 0 | 0 | | | 0 |
| TOTALS | \$ <u>346,078</u> | \$ <u>85,216</u> | \$ <u>449,678</u> | | | \$ <u>5,793</u> |

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

| | Carrier | Amount of Coverage | Expiration Date | Premium Paid Through |
|------------------------|----------------------|-------------------------------|----------------------------|-------------------------------------|
| Workers' Compensation | * d/b/a Indiana Ins. | \$ 500,000 / Incident | 12/31/2010 | 10/31/2010 |
| General Liability | * d/b/a Indiana Ins. | 2,000,000 | 12/31/2010 | 10/31/2010 |
| Property (Fire, Theft) | * d/b/a Indiana Ins. | 25,087,355 | 12/31/2010 | 10/31/2010 |
| Vehicle | * d/b/a Indiana Ins. | 1,000,000 | 12/31/2010 | 10/31/2010 |
| Other (list): | | | | |
| Contents | * d/b/a Indiana Ins. | 8,247,000 | 12/31/2010 | 10/31/2010 |
| Signs | * d/b/a Indiana Ins. | 351,116 | 12/31/2010 | 10/31/2010 |
| Umbrella | * d/b/a Indiana Ins. | 10,000,000 | 12/31/2010 | 10/31/2010 |
| Business Income | * d/b/a Indiana Ins. | 9,082,000 | 12/31/2010 | 10/31/2010 |

* Netherlands Ins. Co. / Midwestern Indemnity Co.

DEBTOR: Midwest Theatres Corp.

CASE NO: 10-46834

**Form 2-E
SUPPORTING SCHEDULES**

For Period 10/01/10 to 10/31/10

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

| <u>Due</u> | <u>Accounts Receivable</u> | <u>Post Petition Accounts Payable</u> |
|--|---|---|
| Under 30 days | \$ 46,100 | \$ 134,981 |
| 30 to 60 days | 22,216 | 85,197 |
| 61 to 90 days | 12,365 | 0 |
| 91 to 120 days | 0 | 0 |
| Over 120 days | 1,500 | 0 |
| Total Post Petition | <u>82,181</u> | |
| Pre Petition Amounts | <u>0</u> | |
| Total Accounts Receivable | \$ <u>82,181</u> | |
| Less: Bad Debt Reserve | <u>0</u> | |
| Net Accounts Receivable (to Form 2-C) | <u>\$ 82,181</u> | |
| | Total Post Petition Accounts Payable | <u>\$ 220,178</u> |

* *Attach a detail listing of accounts receivable and post-petition accounts payable*

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

| | <u>Month-end Retainer Balance</u> | <u>Current Month's Accrual</u> | <u>Paid in Current Month</u> | <u>Date of Court Approval</u> | <u>Month-end Balance Due *</u> |
|---|---|--|--------------------------------------|-----------------------------------|------------------------------------|
| Debtor's Counsel | \$ 23,464 | \$ 16,036 | \$ 0 | | \$ 7,428 |
| Counsel for Unsecured Creditors' Committee | 0 | 0 | 0 | | 0 |
| Trustee's Counsel | 0 | 0 | 0 | | 0 |
| Accountant | 0 | 0 | 0 | | 0 |
| Other: | 0 | 0 | 0 | | 0 |
| Total | <u>\$ 23,464</u> | <u>\$ 16,036</u> | <u>\$ 0</u> | | <u>\$ 7,428</u> |

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

| <u>Payee Name</u> | <u>Position</u> | <u>Nature of Payment</u> | <u>Amount</u> |
|-------------------|-----------------|--------------------------|---------------|
| Steve Tripp | CEO | Employment | \$ 4,167 |
| Bryan Sieve | CFO | Employment | 4,167 |

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: Midwest Theatres Corp.CASE NO: 10-46834

Form 2-F

QUARTERLY FEE SUMMARY *

For the Month Ended: 10/31/10

| <u>Month</u> | <u>Year</u> | <u>Cash Disbursements **</u> | <u>Quarterly Fee Due</u> | <u>Check No.</u> | <u>Date Paid</u> |
|-------------------|-------------|------------------------------|--------------------------|------------------|------------------|
| January | | \$ 0 | | | |
| February | | 0 | | | |
| March | | 0 | | | |
| TOTAL 1st Quarter | | \$ 0 | | | |
| April | | \$ 0 | | | |
| May | | 0 | | | |
| June | | 0 | | | |
| TOTAL 2nd Quarter | | \$ 0 | | | |
| July | | \$ 0 | | | |
| August | | 0 | | | |
| September | 2010 | 532,748 | | | |
| TOTAL 3rd Quarter | | \$ 532,748 | 4,875 | | |
| October | 2010 | \$ 984,009 | | | |
| November | | 0 | | | |
| December | | 0 | | | |
| TOTAL 4th Quarter | | \$ 984,009 | | | |

FEE SCHEDULE

| <u>Quarterly Disbursements</u> | <u>Fee</u> | <u>Quarterly Disbursements</u> | <u>Fee</u> |
|--------------------------------|------------|-----------------------------------|------------|
| \$0 to \$14,999..... | \$325 | \$1,000,000 to \$1,999,999..... | \$6,500 |
| \$15,000 to \$74,999..... | \$650 | \$2,000,000 to \$2,999,999..... | \$9,750 |
| \$75,000 to \$149,999..... | \$975 | \$3,000,000 to \$4,999,999..... | \$10,400 |
| \$150,000 to \$224,999..... | \$1,625 | \$5,000,000 to \$14,999,999..... | \$13,000 |
| \$225,000 to \$299,999..... | \$1,950 | \$15,000,000 to \$29,999,999..... | \$20,000 |
| \$300,000 to \$999,999..... | \$4,875 | \$30,000,000 or more..... | \$30,000 |

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

DEBTOR: Midwest Theatres Corp.

CASE NO: 10-46834

Form 2-G
NARRATIVE

For Period Ending: 10/31/10

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

Film Licensing Agreements have been reached with all Studios.
Cash Account #1100-05 has been inactivated
Theatre Depository account #1105-03 has not been reconciled due to statement not being received.